

Network



Tempe
Community
Council

TCC's Quarterly Community Newsletter



Community Land Trust of Tempe



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"A community Land Trust is a non-profit corporation created to acquire and hold land...and provide secure affordable access to land and housing for community residents."

Simply put, a community land trust (CLT) helps maintain affordable housing by keeping land out of the housing inflationary spiral. The houses



built on trust land are owned by low-income families and may be bought and sold. The land itself continues to be owned by the trust in perpetuity. When the housing owner gets ready to sell, the trust insures other low-income families will be the next owners of the property.

CLT of Tempe

While there are several CLT's now operating across the country, each is locally controlled and has considerable flexibility on what it does. There are some 120 CLT's in the USA, including three in Arizona.

The Community Land Trust of Tempe was recently created as a new non-profit corporation by an initial community partnership of the TCC, NewTown Community Development and the City of Tempe. The Mission of CLT of Tempe is:

"To develop and sustain community investments through public stewardship of land in Tempe."

The Goals of CLT of Tempe are:

- ✓ Produce affordable homeownership opportunities for moderate and low income families;
- ✓ Help preserve the economic diversity in Tempe;
- ✓ Assist neighborhoods by increasing the number of owner-occupied homes;
- ✓ Provide support services and training for homeowners.

To pursue development of the CLT of Tempe, an interim **Steering Committee** was organized last year composed of representatives from the initial partnership:

Allen Carlson - NewTown
Luis Fernandez - NewTown
Kate Kealy - ASU
Tim Klont - City of Tempe
Mike Patten - Tempe Community Council
Bonnie Richardson - City of Tempe
Steve Wise - Tempe Community Council
Ruth Yabes - ASU



The purpose of the Steering Committee was to begin the efforts of organizing citizens and educating the public about the need for a CLT in Tempe. In recruiting members of the first CLT Board, efforts were made to bring together a diverse mix of people with the necessary skills and contacts from varied parts of the community who could give this new organization the strongest possible beginning. Areas of representation include: *low to moderate income* ("low-mod"), *housing, finance and development*, and other factors.

The Steering Committee went out of existence with the organization of this first **Board of Directors of CLT of Tempe:**

President - Mike Patten - legal/low-mod (through TCC board)/community representative
Vice President - Richard Erdmann - Habitat for Humanity
Secretary/Treasurer - Pen Johnson - community representative
Bonnie Richardson - City of Tempe
Frederica Clarke - low-mod representative
Luis Fernandez - low-mod/community rep.
Richard Gart - Apache Blvd community
Spike Lawrence - developer
Alan A. Matheson - attorney, member of TCAA board
Xavier Morales - bilingual/planning
Charles Vester - mortgage banking
William G. Was - banking/developer
Liz Wilson - low-mod/planning

While there is no law that stipulates the structure and activities of CLT's, the CLT of Tempe has set a goal to comply with the federal requirements for a Community Housing Development Organization (CHDO). Doing so will open the door to potential government support dollars. Among the requirements for CHDO's is that the board of directors be composed of at least one-third representatives of low and moderate income people.

Other CLTs

As indicated above, there are at least 120 CLTs currently existing in the U.S. The

Institute for Community Economics (ICE) fosters development of CLTs (including Tempe's) and offers profiles of these three CLTs by way of



illustrating the variety of activities and services of CLTs around the country.

Burlington, Vermont

One of the largest and most influential CLTs is located in Burlington, Vermont, a university town of about 40,000 on the shore of Lake Champlain. Since the early '80s, economic growth and progressive public policies, combined with an attractive setting, have made Burlington an increasingly desirable - and increasingly expensive - place to live. In sixteen years, BCLT's holdings have grown to nearly 500 units of housing, including single-family homes, housing cooperatives, condominiums, and varied rental options. In the process, BCLT has had a major impact on conditions in a low-income neighborhood, while expanding housing opportunities for low-income people in that neighborhood - and in outlying suburban areas as well.



Albuquerque, New Mexico

Beginning in the 1980s, residents of Albuquerque's Sawmill neighborhood created a community organization to fight pollution from a nearby particle-board factory. At the same time, on the other side of the neighborhood, historic Old Town was becoming a leading tourist attraction, with galleries, trendy shops, restaurants and museums. The resulting gentrification, pushed home prices upward, and the Sawmill residents started to worry about their families' futures in a neighborhood where some had lived for generations. To expand affordable housing opportunities in this situation, the community organization negotiated with the City to gain the right to develop 27 acres of vacant land once occupied by the old sawmill operation. The existing organization then created the Sawmill CLT to develop and hold the land.



On this site the CLT is now developing 99 housing units, including single-family homes, townhouses and senior apartments, together with a plaza, park, community center, and projected commercial space. To make sure that this development continues to serve lower income residents of the community, the land will be held permanently in trust by the CLT.

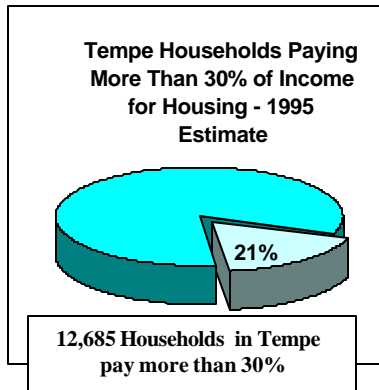
Durham, North Carolina

Durham Community Land Trustees was organized in 1987 by residents of Durham's West End neighborhood, a predominantly African American, low-income community adjacent to the campus of Duke University. DCLT's housing program was launched with technical assistance and project financing from the Institute for Community Economics' Revolving Loan Fund, which supports CLT projects around the country. As development has accelerated in recent years, financing has come from a growing number of sources, including the Federal Home Loan Bank, municipal bonds, and Duke University. Project subsidies and operating support have come from the City and the North Carolina Community Development Initiative.

The Need

The Spring 1999 issue of TCC Network outlined Affordable Housing needs.

As the chart below shows, nearly 13,000 households (21% of the total in Tempe) paid more than they could afford for their housing in 1995. The situation since has only worsened, as the following items from Timothy Klontz, City of Tempe affordable housing specialist show:



- Between 1995 and 1997, the number of struggling renter households increased by 3%, from 8.61 million to 8.87 million, one out of every four renter households in America.
- In 1997, for every 100 extremely low income households, there were only 36 units affordable and available for rent.
- Median rents in Tempe are \$563 for a one bedroom, \$706 for a two bedroom, and \$982 for a three bedroom.
- The median home price in the Valley has reached \$148,775.

- In 1998, more than one third of Arizona households (655,000) had incomes less than \$25,000; by 2003, that number is expected to increase to 700,000.
- By 2003, 40% of all new jobs are expected to pay less than half of the livable wage.
- Today, an Arizona household must make nearly \$50,000 to afford the median priced home, yet 50% of the state's households make less than \$35,000.
- In the Valley, a parent with two children would have to work **122 hours a week** at the minimum wage to afford an apartment at the HUD determined fair market rent. She/he would have to work **150 hours a week** to purchase the average Valley home.

Generally, to be eligible for an affordable homeownership program, a family of three must make less than \$38,250. A family of four must make less than \$42,500. These are some examples of "who makes what":

- Police Officer \$36,558
- Librarian \$33,121
- Tempe Mayor \$30,561
- Legal Secretary \$27,865
- Sanitation Worker \$26,522
- Teacher \$25,735
- Nurse Aide \$16,765



From TCC's standpoint, the needs for affordable housing rise continually in relation to many human service issues. For instance, the **TCC Homeless Task Force** noted the strong need for affordable housing related to homeless people, domestic violence victims and included *these*

recommendations:

SHORT-TERM PRIORITIES		
Recommendation	Rationale and Benefits	Specific Actions and Activities
6. ENHANCE AFFORDABLE, TRANSITIONAL AND EMERGENCY SHELTER HOUSING FOR TEMPE	Needs for enhancement of regional emergency shelter beds, particularly for families and children, more affordable housing for low-income people and more transitional housing for recent homeless were stated many times to the Task Force. Families fleeing domestic violence situations are a particular concern....The City has recently taken steps to enhance affordable housing which should be expanded....	Create a community task force on housing that brings together current public and private efforts on emergency, affordable and transitional housing. Issues for the task force to consider over the next year could include: <ul style="list-style-type: none"> • Developing new low-income and transitional housing options in Tempe • Maintaining existing housing stock in Tempe • Considering creation of Single Room Occupancy (SRO) affordable housing • Setting a percentage goal for affordable housing in City of Tempe Development Plan • Review and further study the needs for emergency beds for Tempe, with particular emphasis on families with children and domestic violence issues.
LONGER-TERM AND ONGOING PRIORITIES		
Recommendation	Rationale and Benefits	Specific Actions and Activities
4. ESTABLISH AFFORDABLE TRANSITIONAL AND EMERGENCY SHELTER HOUSING AS A PERMANENT AND ONGOING PART OF THE CITY'S GENERAL PLAN	In addition to the short-term priorities outlined above, a long-term and continuing commitment is needed by the entire Tempe community to increase our housing resources. The escalating land values in the City will only make the issue more costly over the long-term and the housing needs for homeless and working poor more pressing. Affordable housing should be developed at multiple locations throughout the city. Needs for emergency shelter housing should be monitored regularly and action taken to insure adequate availability of shelter for those who need and want it.	<ul style="list-style-type: none"> • Make transitional, affordable and emergency shelter housing a permanent part of the City's General Plan. • Continue to work to establish new nonprofit housing development programs in multiple locations.



City of Tempe Housing Programs

According to Terri Amabisca of City of Tempe Housing and Redevelopment, the City funded the following housing rehabilitation/replacement programs in 1999-2000:



2000-2001	Funds	Numbers to be served
Housing Rehab - owner-occupied home rehab/replacement		
Community Development Block Grant (CDBG) funds	\$318,436	8 households
HOME funds (federal)	\$376,422	31 households

Last year, the City spent the following on rental vouchers under the Section 8 Program:

1999-2000	Funds	Numbers to be served
Section 8 Tenant-Based Assistance	\$4,479,569	812 leased/mo. (Av.)

In Fiscal Year 1999-2000, the City also supplied some \$119,000 in matching funds for HOME funds.



Community Assisted Mortgage Program

The City of Tempe began a new program this year to help low-income householders purchase a home in Tempe and also assist in the revitalization of neighborhood housing. The program provides deferred loans for down payments, prepaid expenses, closing costs and reduction of principal. Up to \$17,500 became available to buy houses in areas north of Alameda Drive in Tempe; up to \$15,000 became available for those purposes in other areas. The purchaser must contribute the greater of either \$1,000 or 1% of purchase price and must also secure a fixed rate mortgage at or below 10% APR with points and fees not exceeding 8% of the mortgage amount.

Eligible applicants include first time homebuyers with incomes at or below 80% of area median income (e.g., \$29,750 for one person). The City will spend up to \$500,000 on the program during this first year.

Fair Housing - a number of barriers to the acquisition of affordable housing relate to discrimination on the basis of handicap, sex, race, family status and other factors. The City provides intake, investigation and conciliation of housing discrimination complaints through two staff members of the Housing and Redevelopment office, one of whom is bilingual. To combat the problem of excessive closing and other costs imposed on some lower income home buyers, the City provides home purchasing seminars and classes. The City also operates the *Family Self-Sufficiency* program which assists Section 8 recipients to become self-sufficient through education & job training - more than 80 households are being helped, including education & training help, career counseling, child care & transportation help, parenting skills training, financial planning & budgeting and counseling.



BOTTOM LINE

"The test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little." *Franklin D. Roosevelt*

Is it important for those who serve the citizens of Tempe to be able to live here as well (e.g., police officers and teachers)? Is it important that Tempe provide long-term housing options for its homeless and domestically abused citizens once they leave emergency shelter? Is it important that Tempe maintain its traditional ethnic and economic diversity that has been its strength for so long?

These are some of the questions. Our answers will determine the character of Tempe for a long time to come.